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STATE OF NEW YORK

COMMISSION OF GOVERNMENT INTEGRITY

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HEARING ON CAMPAIGN FINANCE PRACTICES
OF CITYWIDE AND STATEWIDE OFFICIALS

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New York County
Trial Lawyers Association
14 Vesey Street
New York, New York

March 14, 1988

9:30 A.M.

B E F O R E: JOHN D. FEERICK, CHAIRMAN



Guterman

MR. BIENSTOCK: Without knowing how many other people were guaranteeing and how large the loan was, you guaranteed your share of that 50,000?

THE WITNESS: Unless someone else was going to pay it for me, if it were not repaid, I would have no reason to worry how many other people were doing a similar thing.

CHAIRMAN FEERICK: Thank you for your participation in these hearings.

The Commission calls Donald Trump.
D O N A L D T R U M P,
having been first duly sworn by the
Chairman, was examined and testified as
follows:

CHAIRMAN FEERICK: Recognize Counsel
Michael Bellinger.

MR. BELLINGER: Thank you, Mr.
Chairman.

EXAMINATION BY MR. BELLINGER:

Q. Good afternoon, Mr. Trump.

A. Good afternoon.

Q. How long have you been doing business
in New York City?

Trump

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2 A. Since I graduated from college, about
3 twenty years ago.

4 Q. And would you describe your business
5 enterprises, please?

6 A. Primarily, the real estate business in
7 New York City.

8 Q. Mr. Trump, in order to engage in real
9 estate development and construction in New York
10 City, there is a lot of interaction between your
11 company and various tiers of City government?

12 A. I would say that's generally correct,
13 yes.

14 Q. Would it be fair to say that
15 oftentimes you feel there is too much red tape
16 involved?

17 A. To put it mildly, yes.

18 Q. In fact, I think to demonstrate the
19 inefficiency of New York City government as well
20 as perform a public service, you reconstructed
21 the Wollman Skating Rink; is that true?

22 A. Yes, I did.

23 Q. So one can say generally your
24 confidence in the efficiency of local government
25 is fairly low?

Trump

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2 A. Fairly, yes.

3 Q. And yet, according to the Board of
4 Elections records that the Commission has
5 examined, you contribute quite heavily to local
6 campaigns?

7 A. That's correct. Yes.

8 Q. In fact, in 1985 alone, your political
9 contributions exceeded \$150,000; is that correct?

10 A. I really don't know. I assume that is
11 correct, yes.

12 Q. What type --

13 A. Excuse me, somebody left a very heavy,
14 very heavy gold pen, I assume it's Mr. Guterman.

15 Q. Mr. Trump, what forms do your
16 political contributions usually assume; are they
17 monetary contributions, loan guarantees?

18 A. Generally I guess monetary
19 contributions. I think in some cases loan
20 guarantees, yes.

21 Q. Mr. Trump, I am going to name a list
22 of local political incumbents, and I would
23 appreciate if you would indicate in which manner
24 the campaign solicited you for contributions.

25 City Council President Andrew Stein?

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A. How they solicited me?

Q. Were they personal solicitations, or a solicitation from someone else in the campaign?

A. Generally speaking, Mr. Stein or perhaps one of his associates would call me and ask to make a contribution. He had a pretty strong race with Mr. Lipper, as I remember it, and it was probably the only real race that I saw last time out, as I remember, but Mr. Stein would call me directly and ask for help.

Q. Have you ever been personally solicited for campaign contributions by Harrison Goldin?

A. I might have been. I really don't remember specifically.

Q. Mr. Trump, is it true that in the past you have made political contributions to Mayor Koch?

A. Yes. That is true.

Q. And were those personal solicitations by the Mayor?

A. I really don't remember specifically.

Q. Mr. Trump, in the past have you been approached to guarantee a loan by a specific

Trump

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2 campaign committee?

3 A. Well, I don't know what you mean by
4 campaign committee. I would say that whether it
5 was a committee, in many cases you have
6 fundraisers and that's held by a committee. You
7 have somebody giving a cocktail party for the
8 various people and that's held by the committee,
9 the committee to elect so-and-so, and so in that
10 sense I guess the answer would be yes.

11 Q. Have you ever guaranteed a loan for a
12 political candidate, sir?

13 A. I believe so, yes.

14 Q. And do you recall which candidate that
15 was?

16 A. I think it was Andrew Stein.

17 Q. Do you recall the amount and when this
18 loan took place, loan guarantee?

19 A. Not specifically, no, sir.

20 Q. Do you recall who approached you from
21 the Andrew Stein campaign to guarantee the loan?

22 A. I don't really remember, no.

23 Q. Mr. Trump, would you please turn to
24 Exhibit 34 in that book in front of you.

25 A. Okay.

Trump

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2 Q. And flip through to page 8 of that
3 particular exhibit.

4 A. Okay.

5 Q. Mr. Trump, does this document refresh
6 your recollection as to the amounts and the dates
7 of this loan guarantee?

8 A. Not particularly. I see that I have
9 guaranteed \$50,000, but not really, not too much.

10 Q. In fact, Mr. Trump, is it safe to say
11 that the loan was repaid by you on February 20th
12 of 1985?

13 A. I don't believe so.

14 Q. December 20th of 1985.

15 A. Yes, I believe so, yes.

16 Q. And the date of the loan was June 6th
17 of 1985?

18 A. That's correct.

19 Q. Mr. Trump, isn't it a fact that the
20 Stein campaign approached you for this loan
21 guarantee and gave you assurances that in fact
22 you wouldn't have to repay the loan?

23 A. Well, I was under the impression that
24 I was not going to be repaying that -- that I
25 would be paid -- I was of the impression at the

Trump

1
2 time it was made that I would be getting my money
3 back.

4 Q. And when were you disabused of that
5 notion?

6 A. When it was time to get my money back.

7 Q. Mr. Trump, would you please turn to
8 Exhibit 36 in that binder, and we have a
9 photographic enlargements of that exhibit.

10 A. Okay.

11 Q. Sir, would you please go through these
12 exhibits and identify which of these enterprises
13 are either Trump-controlled or have significant
14 Trump interests?

15 A. Okay. Shore Haven Apartments No. 2,
16 Inc., Shore Haven Apartments No. 6, Inc., Trump
17 Management, Inc., Shore Haven Apartments No. 3,
18 Inc., Sussex Hall, Borough Hall, Inc., Green Park
19 Sussex, Inc., Green Park Sussex, Robert S.
20 Trump-- he is my brother. Shore Haven -- Garnet
21 Hall, Inc., Trump Village Construction Corp.,
22 Webster Hall, Inc., Shore Haven Apartments No. 1,
23 Inc.

24 That's it.

25 Q. Mr. Trump, why aren't these political

Trump

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2 contributions just made solely in your name?

3 A. Well, my attorneys basically said that
4 this was a proper way of doing it. In terms of
5 anything else, I mean I usually got a call from a
6 reporter as soon as this was filed, asking me why
7 I made contributions.

8 It's pretty evident to most people
9 that I own Shore Haven Apartments and that we own
10 all these things. Generally our corporations are
11 named after buildings, and so we have the name
12 specifically of a particular property on them, so
13 usually if from any other standpoint, if we made
14 a contribution, Trump Village Construction Corp.,
15 I mean there weren't too many people that know
16 that Trump Village Construction Corp. isn't owned
17 by us.

18 So it was no own reason other than
19 that lawyers informed us that this was the way
20 people were doing. I don't even know
21 specifically what the exact reason would be.

22 Q. Are you familiar with the personal
23 limits that an individual could contribute to
24 political campaigns in a calendar year in this
25 state?

Trump

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2 A. I know there was a personal limit. I
3 am not sure exactly what that limit is.

4 Q. Mr. Trump, when I met with you in your
5 office, you indicated that reduction in
6 contribution limits would really not impact the
7 system as you understood it; is that true?

8 A. I might have even said of course I
9 think it would be a bad thing for the system in
10 many respects.

11 Q. Could you explain your position,
12 please?

13 A. I have gone through the federal
14 campaigns, and frankly it's the best thing that
15 ever happened to me because you're limited to a
16 thousand dollar contribution. But I see a lot of
17 Congressmen who spend their entire tenure trying
18 to raise money, with a thousand dollar limit, as
19 opposed to maybe working.

20 Maybe that's the reason that Japan is
21 doing so well against the United States, because
22 all our representatives are out trying to raise
23 money.

24 When you have a thousand dollar limit
25 or the kind of limit that's so small and yet you

Trump

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2 have to raise millions of dollars to run in a
3 race, or in the case of New York City officials
4 in many cases millions, or hundreds of thousands
5 of dollars, I think what it does is it really
6 makes them campaign fundamentally to raise money
7 and not be able to really keep their eye on the
8 ball.

9 I thought, and it's of no great
10 importance to be to a certain extent, but I
11 thought it was a very great negative to see these
12 limits changed or to see it changed
13 dramatically.

14 I also said to you that I felt that it
15 may have the effect of making a certain person
16 dishonest, because he is so intent on winning an
17 election, he can't raise money where it's
18 obviously reported such as this, and everybody
19 knows how it's reported, and it may very well,
20 and I don't know of any such instance but it may
21 very well be a tendency to panic a man running
22 for office and make him dishonest.

23 Also as a third point I gave you at
24 the time, having the names reported like this,
25 every time I make a contribution, it's open, it's

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2 reported in the New York Times, the News, the
3 Post and every other newspaper, and I think that
4 a politician has a certain amount of pressure on
5 him to vote against me because of the fact that I
6 made a contribution.

7 So having an open system, a system
8 where you can make contribution, I think puts
9 certain politicians essentially on notice that
10 everyone is watching, everybody knows exactly
11 what Donald Trump or anybody else made in terms
12 of contributions to them, and I think they have
13 to watch.

14 But I do believe that limiting the
15 campaign only makes these people work very hard
16 to raise money, and I believe that's all they are
17 going to have time to do.

18 Q. Didn't you also say that this could
19 quite possibly increase your influence, even
20 though it might lower your personal limits, it
21 would allow you or an individual similarly
22 situated to call around and in fact raise money
23 though it wouldn't come out of your own pocket?

24 A. I did say that. Let's say I was
25 restricted to giving a thousand or a couple of

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2 thousand dollars, I don't believe there is any
3 way from a practical standpoint that I would be
4 restricted to holding a cocktail party for a
5 certain candidate, get 50 people to go to the
6 party with two thousand apiece. And get the
7 \$100,000 contributions.

8 It would have a greater impact on his
9 campaign than if I contributed \$100,000 myself,
10 and I think it would be, if the word can be
11 appreciated, perhaps it would be appreciated,
12 perhaps it wouldn't, but I think it would have a
13 bigger impact actually on his campaign.

14 Q. Do you think that loans would be
15 prohibited?

16 A. I don't really have a feeling on the
17 loans. I think the loans perhaps could be
18 intertwined with the rest of what we're saying,
19 but I do believe that candidates, if they are
20 restricted too much, are unable to focus on
21 running a city, on running an office, on really
22 doing the job that they were elected to do.

23 I think it's a very bad precedent, in
24 speaking to the various federal officials who
25 were under the horrible problem of having to

Trump

1
2 raise hundreds of thousands and millions of
3 dollars with \$1,000 contributions.

4 I mean, I see these people, they are
5 literally campaigning all the time. I don't know
6 how they have the time to do anything else other
7 than campaign.

8 MR. BELLINGER: Mr. Chairman.

9 CHAIRMAN FEERICK: Mr. Trump, do you
10 feel a large contribution puts unnecessary
11 pressure on a public official, either to be
12 responsive to the contributor, or, my thought,
13 one's public image not being responsive but, if
14 anything, perhaps where it should be responsive
15 to a large contributor he is not because of the
16 large gift?

17 THE WITNESS: Sir, I don't think it's
18 great. I really don't.

19 CHAIRMAN FEERICK: I am sure you don't
20 think it's great.

21 THE WITNESS: I don't think the large
22 contribution is a great thing, but I do think
23 it's the lesser of the evils. I believe that a
24 large reported contribution, the word is
25 reported, if somebody makes a large contribution

Trump

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2 to a candidate, and that particular candidate
3 obviously is going to be reported because -- I
4 know whenever I make, whether it's through
5 corporations or not, whether they have my name on
6 it or not, it's always reported in the
7 newspaper.

8 There is a tremendous amount of burden
9 on that particular candidate to do what's right,
10 and I really mean that. I believe the worst evil
11 is where a candidate is unable to raise money
12 because the amounts are so low, they are set and
13 they are very low, I believe that puts a
14 tremendous amount of increased burden on that
15 candidate, and I really believe it could even go
16 so far as as the ultimate step and that's to
17 create dishonesty against certain candidates.

18 I don't love the idea of large
19 contributions, but I think it's probably the
20 lesser evil in terms of all of the different ways
21 of -- there aren't that many alternatives, but in
22 terms of other alternatives.

23 CHAIRMAN FEERICK: Aside from my
24 staff, have you received questions as to why your
25 gifts are as substantial as they are?

Trump

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2 THE WITNESS: Not particularly, not
3 that I remember.

4 MR. VANCE: It seems to me from what
5 you have said that it would be a corollary that
6 full and complete disclosure and timely
7 disclosure is absolutely essential; is that
8 correct?

9 THE WITNESS: I do believe that, yes.
10 I do believe that, sir.

11 MR. VANCE: Let me ask you a question
12 about another issue here. Do you feel that it's
13 necessary to make large contributions in the cost
14 of doing business, you have concern that if you
15 don't, you may get punished in some way in
16 connection with things that you may have coming
17 before the particular body involved?

18 THE WITNESS: I personally don't. But
19 I can see that some people might very well feel
20 that way, sir. I personally do not feel that
21 way, as relating to myself; I believe that it's
22 possible other people might as relating to
23 themselves.

24 MR. VANCE: What about in terms of
25 perceptions, how do you feel?

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THE WITNESS: I think the perception is in a way worse when I make a large contribution, and maybe because I do get a bit of attention by the press and other people, and if they hear that Donald Trump made a contribution it's always very heavily reported, and I think that puts pressure on the candidate in a sense to say based on this, and that happened to me, where I was asking for something that was totally proper and even good, and a candidate really was under pressure to reject it because I made contributions to his campaign.

And that is sort of the reverse of what we are all here to discuss today. So I really feel that, as you said, I think one of the very, very important things is fast, adequate and very strong disclosure, as opposed to limits on a campaign.

CHAIRMAN FEERICK: Mr. Emery.

MR. EMERY: Mr. Trump, when did you first start making campaign contributions in New York City, either yourself or your corporate entities controlled by you?

THE WITNESS: Pretty early in my

Trump

business career.

MR. EMERY: In the mid-'70s or before that?

THE WITNESS: I would say probably in the mid-'70s and early '70 s, yes, sir.

MR. EMERY: Were your contributions during that period as substantial as the ones you are making these days, or have been making for the past few years?

THE WITNESS: Probably not, but I wasn't as substantial either. I think relatively they may have been as substantial.

MR. EMERY: Your first big deal in New York City was the development of the Grand Hyatt out of the old Commodore?

THE WITNESS: Yes.

MR. EMERY: That took place during the very last days of the Beame administration?

THE WITNESS: No, actually what people don't understand is that Ed Koch was the man responsible for signing off on the Grand Hyatt. The Beame administration had signed off, but then it was a difficult time in New York City, and various changes had to be made to the contract

Trump

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2 and we went back to the Koch administration, as I
3 remember it, it's a long time ago, but we went
4 back to the Koch administration and that I had
5 these changes, and ultimately it was a total
6 review of the process, a signoff by various
7 representatives of the Koch administration to get
8 the Grand Hyatt built.

9 BY MR. EMERY:

10 Q. Was that true also of the issue of the
11 tax abatement that was granted during the latter
12 days of the Beame administration?

13 A. Essentially it was the same. If Koch
14 wanted to change, that was the document. If we
15 wanted to renegotiate a new deal, I think people
16 complained about that deal.

17 But if that deal were to be changed,
18 that was the document that I needed the changes
19 in, in terms of getting the financing from the
20 various institutions. So while we had it pretty
21 well set with the Beame administration, we then
22 carried on into the Koch administration.

23 The deal was actually initially funded
24 in the Koch administration, changes to the tax
25 abatement and/or the lease which is basically the

Trump

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2 same thing, but the lease is what gave the tax
3 abatement, were made during the Koch
4 administration, the early months of the Koch
5 administration.

6 Q. Had you given campaign contributions
7 to the members of the Board of Estimate during
8 the Beame administration?

9 A. I don't remember but I assume so, yes.

10 Q. And did you continue such
11 contributions, to the best of your recollection,
12 during the early days of the Koch administration?

13 A. I believe so. Yes.

14 Q. And have you continued that activity
15 with relative increases in accordance with your
16 relative increase in success up to the present
17 time?

18 A. I don't know if it's been relative
19 increases. I have continued it generally. If I
20 like somebody or I think they are doing a good
21 job in the City, I have a big stake in the City,
22 and if I think somebody is better than somebody
23 else, I generally support that person.

24 Q. Do you ever contribute to both sides?

25 A. Sometimes.

Trump

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2 Q. Do you remember campaigns where you
3 did that?

4 A. Not specifically, but oftentimes as
5 happens, you will have two or three friends
6 running for the same office and they literally
7 are all coming to you asking for help, and so
8 it's a choice, give to nobody or give to
9 everybody.

10 I disclose it very openly because
11 obviously it gets out in the newspapers two days
12 later. It's not like I don't know what I am
13 getting into.

14 I give to two or three candidates,
15 sometimes three candidates at the same time.
16 What I will do is tell all three that I am giving
17 to all three. But I have contributed to
18 candidates that are running against each other on
19 the basis that both candidates are friends.

20 Q. And I take it that in those situations
21 you vote in the elections here in the City; is
22 that correct?

23 A. Yes.

24 Q. So in some instance you are
25 contributing to candidates who are not running

Trump

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2 against one another?

3 A. I guess that's right.

4 Q. So in some instances your vote tells
5 you in the privacy of a voting booth which
6 candidate you prefer?

7 A. That's correct, but in some instances
8 I don't vote on that particular slate. I have
9 had cases where I like both candidates, where I
10 don't want to vote for either of them and have
11 contributed to both.

12 Q. Is it fair to say that some of your
13 motivation is that you don't want to alienate a
14 friend?

15 A. I don't think it's the word alienate.
16 I have developed a lot of relationships over the
17 course of years, a lot of friendships, and I
18 don't think the word really would be alienate.

19 I don't want to hurt a friend, I don't
20 want to have them feel that I have let them down
21 when they are looking for their big shot at
22 public office. I don't want to go as strong as
23 alienate, because I don't think that I would
24 alienate them.

25 Q. Are you aware of any real estate

Trump

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2 developer in New York City who conducts their
3 business in New York City successfully without
4 making campaign contributions to a large number
5 of members of the Board of Estimate?

6 A. I really do not know.

7 Q. Let me ask you quickly, if I may, what
8 your professional relations are with Howard
9 Rubinstein or Howard Rubinstein & Associates?

10 A. He represents me on various projects.
11 Certain public relations aspects of projects like
12 he represents me on my book, I wrote a book, and
13 he recommended me to one of his people who
14 represented me on it.

15 Generally it's not having to do with
16 political issues. It's generally having to do
17 with holding back the press, holding the press at
18 bay if I am doing something, so I just can't take
19 the calls and what Howard would do is he would
20 funnel the calls or take the calls himself.

21 Q. How early on did you establish your
22 relationship with Mr. Rubinstein?

23 A. Pretty early on. I would say probably
24 around 1975 or so.

25 Q. Before the Commodore or Grand Hyatt

Trump

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2 development?

3 A. I would say probably a little bit
4 after. I am not exactly sure in terms of date.
5 In that period.

6 Q. Mr. Rubinstein was active in the Beame
7 administration as well as later on, active in the
8 case that he is active as a fundraiser and public
9 relations person in both the Beame and Koch
10 administrations; is that right?

11 A. I believe.

12 Q. He played the same role for various
13 people in both administrations?

14 A. I believe so. That's correct, yes.

15 Q. Does he ever come to you and ask you
16 to make contributions to people that he is
17 raising funds for?

18 A. Very seldom.

19 Q. But he does do that?

20 A. I don't even remember one instance,
21 that's why I am using the term very seldom, to
22 protect myself.

23 I don't specifically remember. It's
24 possible that he has, but I can tell you it's not
25 a lot.

Trump

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2 Q. Do you know any major real estate
3 developer in New York City who does not have a
4 relationship with Howard Rubinstein as a public
5 relations person?

6 A. I imagine there are a lot of them, but
7 I really just don't know who they are.

8 BY MS. HYNES:

9 Q. You mentioned that you don't favor
10 lowering limits on campaign contributions. Do
11 you have a point of view on public financing of
12 campaigns?

13 A. I never liked the idea of public
14 financing, as to why I am not sure I can define
15 it. But I have never really liked the idea of
16 the concept of public financing. I look at this
17 as a freer system, I suspect, than that.

18 And I believe that if somebody's
19 capable enough to go out and win an election and
20 raise the money necessary to win an election and
21 do all the things necessary, I look at that to a
22 certain extent as being to his or her credit, and
23 I have never been a big fan of public financing.

24 I have never seen a public financing
25 that solved certain of the problems. One of the

Trump

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2 other problems I had with public financing is
3 that all the methods of public financing that I
4 have reviewed have really very much discriminated
5 against certain candidates, where how does it
6 kick in.

7 If it's too a liberal, then everybody
8 in the world can run for office, and if it's too
9 tight, that is unfair to a lot of people because
10 they wouldn't be able to run under any
11 circumstances, because that would be not
12 allowed.

13 So I never have been a big fan of
14 public financing.

15 Q. Do you have any recommendations for us
16 concerning campaign financing other than the
17 public financing?

18 You said that public financing
19 wouldn't solve certain of the problems. What are
20 the problems that you think need to be solved in
21 campaign financing?

22 A. I really think the biggest thing, this
23 is just my view and I am not certainly an expert
24 on it, but I think the greatest contribution that
25 you can make is a major disclosure of the

Trump

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2 contribution.

3 So that everybody is fully aware that
4 Trump and that so-and-so and so-and-so gave to a
5 certain person running for political office, and
6 I really believe that public disclosure goes a
7 long way to solving any of the problems that I
8 would have with the law and the inequities of the
9 law as it currently exists.

10 Now you do have public disclosure
11 right now but it's not as rapid perhaps as it
12 should be. Maybe it's not as open as it should
13 be, maybe it should be more open. But I think
14 the public disclosure can be perhaps tightened up
15 somewhat.

16 MS. HYNES: Thank you.

17 BY MR. MAGAVERN:

18 Q. Mr. Trump, as I understand your
19 testimony, you have developed reasonably close
20 personal relations with most of the elected
21 officials in New York; is that right?

22 A. I think I have a pretty good
23 relationship with many of them, and with some I
24 don't.

25 Q. Do you feel that those relationships

Trump

would suffer if you stopped making contributions all together?

A. I really don't know.

Q. Do you think that for someone not as well known as you, who has not been on the scene for as long, not been as predominant, that contributions may be a means to develop that kind of relationship?

A. I wouldn't answer that. If you're dealing within the ideal world, it certainly would have no effect. Maybe we are not dealing in the ideal world and that's why we are here today.

In the real world, I don't know. I can't answer. It really depends on the people involved.

Q. Do you feel it's important in your projects to have attorneys and other consultants who have good access to City government?

A. That's an interesting question, because I have really done it both ways. It's my turn to get turned down, because they say we just gave you this and this and this, and now it's time to turn your next client down.

Trump

I am not sure -- I don't know what access is. I think it's different than it was in years gone by.

Really this system is certainly not a perfect one in New York, and I have tended to use people that have a good track record, in terms of getting approvals.

But believe me, there is nothing in this City that's foolproof, as far as getting approvals for anything is concerned.

Q. Without being foolproof, you suggested a moment ago, I think, that some decisions are made based on who the attorneys are, who the firms are representing the developer.

A. Well, no, I don't term it in that way. I means in terms of order, meaning if a man has just won a big victory, represents a lawyer or whatever, has just won a big victory, perfectly legitimate victory, and then he has just won another perfectly legitimate victory, and he starts getting big publicity about he is the big guy in town, and he goes with me to win another victory, the psychology of that is that he will have a harder time.

1 Trump

2 Oftentimes you are better off going
3 in, and I have seen it, but oftentimes you might
4 be better off going in with somebody that's not
5 winning such victories, and I have I believe it
6 was one whereby I thought I should be entitled to
7 something and, as I remember, I didn't get what I
8 thought I should have gotten, but the attorney
9 was doing very well for other clients.

10 I find that that's a psychological
11 thing, but I think there is pressure. That's
12 almost like public disclosure. There is pressure
13 on certain people to really disclose.

14 Q. Are you aware of efforts by law firms
15 to impress clients and potential clients with
16 their access to City officials?

17 A. I think there is a lot of bravado in a
18 lot of people, but I don't -- I think anybody
19 that's sophisticated in this City nowadays, and
20 especially with all the problems that we have
21 been reading about over the last number of months
22 and years, I don't think anybody takes anybody
23 too seriously any more.

24 I think there is certainly bravado
25 with regard to clients.

Trump

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2 Q. You think we'll see fundraisers with
3 elected officials with client development
4 purposes?

5 A. I don't know if that's true, but I
6 have certainly seen lawyers hosting fundraisers.

7 Q. Do you think business development
8 might have something to do with those hostings?

9 A. Very, very possible, yes, sir.

10 BY MR. EMERY:

11 Q. Just a couple of more questions. I
12 take it you have had several instances of issues
13 that were up before the Board of Estimate, where
14 you need Board of Estimate approval.

15 A. Yes.

16 Q. If you could describe for me how you
17 go about that, I would really like to know,
18 because I think it would help us evaluate the
19 role of campaign contributions, or at least the
20 appearance in the sense that you have to get
21 access to certain people, you have to convince
22 them that the issue that you have up there should
23 be approached on the merits.

24 How do you do it, what do you do to
25 get that accomplished?

Trump

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2 A. First of all, it's a horrible
3 process. And it's a process that is putting New
4 York at a tremendous disadvantage. To get
5 something approved now in New York is just a
6 very -- anybody that needs approval is in a very
7 unfortunate situation.

8 Now a lot of that, and this gets to be
9 beyond I think even what you're looking at, a lot
10 of that has to do with the fact that with all of
11 the investigations going on, with all of the
12 problems, with all of the indictments of people
13 from a year ago, two years ago, to the present,
14 public officials in this City are virtually
15 impotent. They are not willing to act.

16 It's easier to let a company go to New
17 Jersey which is doing very well under Tom Keane
18 than it is for some public official, so there is
19 no way we are going to lose that staple company
20 from the Bronx or from Brooklyn. There is no way
21 I am going to allow that to happen and then later
22 on the question is why he fought for that
23 company.

24 It's a very negative thing. All of
25 the problems of New York have caused this, and I

Trump

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2 don't know if anybody says or doesn't say it, it
3 doesn't make any difference to me, but I can tell
4 you that New York City is being put at a
5 tremendous disadvantage because we don't have
6 people fighting for causes that should be fought
7 for, because they never get in trouble if they
8 don't do anything.

9 Q. Just from your personal experience
10 where you had to get something approved where you
11 thought it should be approved on the merits,
12 let's say there was public opposition to it or
13 problems with it, how did you go about getting
14 that to occur?

15 What I want to know is the nuts and
16 bolts of who you relied on.

17 A. I will give you an example. I think
18 my most reasonable example is the Wollman Rink.
19 I was offering to build the Wollman Rink where I
20 was going to put up my money.

21 If it didn't work I didn't want the
22 City to pay me back. I was doing this as a
23 charitable contribution virtually from the
24 standpoint of risk. Certainly not business
25 decision.

Trump

This was something that I got tired of seeing this rink for six or seven years not built and built incorrectly. All the money that was being wasted.

I went before the Board of Estimate, and I want to tell you I had one hell of a hard time getting this approved.

Now, I had lawyers, and I had people working, but with all of this, here I am putting up the money, I am saying it will be open in six months, whatever.

Well, after all this we had a hard time getting approved. The session went well into the night and ultimately it was approved. But that was no great thing, that was nothing -- by the way, the other thing was anything we had left over, as I remember, was going to go to charity.

There was no money in it for nothing. The only thing in it for me was a standard of somewhat of excellence in that we are going to finish something quickly and efficiently and get people ice skating in Central Park.

Q. That's not my question. I understand

Trump

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2 your frustration, but I would like you to focus
3 in on the actual mechanisms that you have to
4 undertake to approach and communicate with
5 politicians who are ultimately going to cast
6 their vote, which lawyers do you rely on, do you
7 rely on Howard Rubinstein because of his
8 fundraising activities with respect to those?

9 A. Yes, sir.

10 Q. And what I am asking you is how you
11 get your initiative across.

12 A. The problem with the question, and
13 it's a very good question and a fair one, but
14 unfortunately there is some different kind of
15 approvals you need, for instance.

16 Q. I am talking about the Board of
17 Estimate only.

18 A. I understand that but to get to the
19 Board of Estimate, how do you get before the
20 Board of Estimate really has to be a part of that
21 question.

22 For instance, if you are looking for a
23 zone change, you have to go through an entirely
24 other and different agency, the City Planning
25 Commission. That probably has a great influence

Trump

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2 on investment.

3 Local community planning boards have
4 great influence on the Board of Estimate. That's
5 one kind of approval. If you're looking for a
6 contract to sell widgets in New York if you're
7 looking for -- I don't believe you have to go
8 through too many different agencies. You can go
9 directly to the Board of Estimate.

10 Q. So assume for purposes of the question
11 you have gotten through all the preliminary
12 agencies and you're at the Board of Estimate, and
13 it's a public issue. How do you go about --

14 A. You would go out and get your lawyer,
15 before you go there hopefully you would have your
16 lawyer, but you go out and get your lawyer and
17 maybe get a consultant or so.

18 You make your presentation to the
19 Board of Estimate. And then you in a sense would
20 hope that everything goes well and everything is
21 well.

22 Now as to which lawyer you get, which
23 I think is really the crux of your question --

24 Q. How do you they make contacts?

25 A. Yes, it generally would be private

Trump

contracts during this negotiation, because oftentimes with the Board of Estimate it's negotiations, it's not a hard or cold no.

So oftentimes it's a give and take. Which is I think a good thing, but oftentimes it is a give and take with the Board of Estimate and during this period of time you're dealing with either the board of system staff, the various individual staffs or you're dealing with somebody on the Board of Estimate directly.

Q. Do you play a role directly in those negotiations?

A. It depends how important it is. If it's big development or whatever, I play a role. I may very well make the calls. If it's something important to me I would likely make the call myself.

Q. Does it make any difference to you in that meeting that you may have given that person \$150,000 over the past three years?

A. It doesn't make any difference to me. Your question is does it make any difference to them, and you have to ask them.

CHAIRMAN FEERICK: Thank you very

Halperin

much.

The final witness for today is Richard Halperin.

R I C H A R D H A L P E R I N ,

having been first duly sworn by The Chairman, was examined and testified as follows:

CHAIRMAN FEERICK: Michael Bellinger

EXAMINATION BY MR. BELLINGER:

Q. Thank you, Mr. Chairman.

Good afternoon, Mr. Halperin.

A. Good afternoon.

Q. Thank you for your patience.

Mr. Halperin, by whom are you employed?

A. McAndrews & Forbes Group Incorporated.

Q. And how long have you been so employed?

A. Since February 1984.

Q. And what position do you hold there?

A. I am senior vice-president, special counsel to the chairman.

Q. And the chairman is?

A. Ronald Perelman.